



United States Department of State

Washington, D.C. 20520

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October 19, 1983

Senior Interagency Group No. 23

PARTICIPANTS: See List Attached

DATE AND TIME: October 14, 1983, 10:30 a.m.

PLACE: Deputy Secretary's Conference Room 7219, Department of State

SUBJECT: SIG Meeting on Transfer of Strategic Technology,
October 14

SUMMARY OF CONCLUSIONS

Mr. Schneider opened the meeting by quoting from the President's remarks in response to the KAL incident: "In the economic area in general, we are redoubling our efforts with our allies to end the flow of military and strategic items to the Soviet Union." This is a directive to all agencies to re-examine their current priorities to see where their programs could be enhanced.

Regarding the EAA, Mr. Schneider reported that the SIG-IEP had recommended to the President that he invoke IEEPA to extend the current system of export controls so that no hiatus occurs when the EAA expires on October 14.

COCOM

Dale Tahtinen presented a progress report on U.S. COCOM initiatives. We had achieved almost all of our objectives at the September 27-29 Subcommittee meeting on Export Controls regarding harmonization and enforcement of the COCOM embargo. Most importantly, agreement was reached on holding a special meeting next February on the third country diversion issue. Mr. Schneider noted that this was a major opening for us and asked Vic Comras to form an interagency working group to begin preparation for the February meeting. The group would identify countries of priority concern and prepare in-depth studies of the retransfer problems posed by those countries and of the nature of their export control practices. The work should be completed by the end of the year.

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Mr. Tahtinen noted that progress had been made in synthesizing the German and U.S. formulations of the definitions for a separate control list covering technical data and intangible technology. He stressed the importance of the January meeting of the Ad Hoc Group on Other High Technology which would develop modalities for establishing an inventory of emerging technologies, as well as discuss further U.S. proposals in the oil and gas area. Bilaterals in preparation for the January meeting will begin in late October.

Mr. Tahtinen summarized the progress made in Round Two of the List review which resumed September 14 and is expected to carry through the spring of 1984. We anticipate convening an Assistant Secretary policy level meeting in December to reach an international consensus on outstanding issues. Technical negotiations would then follow in the new year to implement the policy level decisions.

Finally, Mr. Tahtinen reported that considerable progress had been made on COCOM Modernization.

Progress on NSDD

In response to tasking from the President for a comprehensive statement of U.S. Government technology transfer policy, two working groups will soon be completing their work on a draft NSDD. The SIG can expect to meet on this topic in mid-November.

Technology Transfer through Electronic Means

Mr. Schneider noted that as a result of the accelerating role of electronics in the advanced technology process, a major problem of the future will be the security of these electronic processes. He suggested that we launch now a full-scale study of technology transfer through electronic means, and how to counter the undesirable features we may find. The TTIC agreed to take this on under the chairmanship of DOE. The initial work should be completed so that we can inform our COCOM allies next March.

Country Studies

Mr. Schneider commented that the country study approach has been of significant assistance in supporting bilateral policy initiatives. He proposed that the SIG continue the process by asking the TTIC to undertake an assessment of Soviet Bloc acquisitions of strategic technology in Italy. The SIG agreed and recommended that the study be completed by late spring. Mr. Schneider

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emphasized the importance of confidentiality in regard to the existence and content of the country studies, and stressed the risks of disclosure.

There were suggestions that the TTIC undertake similar studies on third countries and on Spain. Mr. Schneider asked that written proposals be presented to the SIG for consideration.

The DOD Representative noted that the political climate might be right for coordinating with other countries on initiatives toward Libya. It was suggested that the SIG consider a strategy for developing a multilateral approach, and Mr. Schneider called for proposals to be considered at the next SIG meeting.

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